

PROBLEMS FACE BY SMALL SCALE CONSTRUCTION COMPANIES IN SRI LANKA

**MASTER OF SCIENCE
IN
CONSTRUCTION PROJECT MANAGEMENT**

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DECLARATION

'I declare that this is my own work and this dissertation does not incorporate without acknowledgement any material previously submitted for a Degree or Diploma in any other University or Institute of higher learning and to the best of my knowledge and belief it does not contain any material previously published or written by another person except where the acknowledgement is made in the text.

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The above candidate has carried out research for the dissertation under my supervision.

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ABSTRACT

The construction industry in contemporary Sri Lanka has been faced with many problems due to the changing nature of its own. Major players in the industry have been dominating over 70% of the major construction projects in the country. Small scale construction companies have their level of competition to grab the middle and low level of projects. Small scale construction has been associated with a high level of risk elements as per the influence in the external factors. Political, Economical, Social, Technical, Environmental and Legal factors are mainly affecting the operations of the companies on such scale. The main difficulty for those companies was that they are not in the position to control those factors due to their lack of capacity and experience. Therefore, small scale construction companies are very sensitive to external variation and can lead to success or even failure due to the same. Initiators and all stakeholders of the company should have a better understanding of the external factors before starting up the company.

The initiator of the company was critical personnel which derives the success or failure of the company in any industry. Experience and knowledge are a must for them. In addition to that, the personal traits that they have incorporated into their personality are very crucial. That will define the path that the company will follow due to the leadership of that person. Perseverance can be identified as a crucial characteristic that the initiator should possess within him/her. That will create other relevant traits and motivate them to drive the company forward without any failure due to external factors. The networking and contact building is yet another critical aspect that should consider by the stakeholders of the company for the betterment of the future. It will create a good background and surroundings to play a competitive role in the industry as a new player. But it should always consider risk elements associated with the operation of the construction field. High risks have been associated with the particular industry and it was even more for start-up small scale companies. Identifying the critical risks and defining actions to mitigate those with the functions and operations of the company will govern the success. If there is a partnership, which happens often, in the small scale construction companies, the understanding between the partners will govern the success of the company. Therefore, small scale construction companies can change their problems into factors for success if they possess and develop their capabilities and connections inside the same industry.

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